DECLASSIFIED PA/HO. Department of State E.O. 12958, as amended Date: 6-30-2005

TO BE DELIVERED IN SEALED ENVELOPE DIRECTLY TO GEN. HAIG

Gen. Haig, AF 86971 TO:

FROM

Peking #2, Peking # and your immeritar belowing message with itertifier 508 REF:

Thank you for your cables which I read with interest and not a little nostalgia.

Not surprisingly, you have handled yourself ably and with discretion. I agree with your line of procedure.

-- On the communique the ball is in their court. The trade section can wait till we get there as long as they understand what we have in mind.

An additional area for strengthening is cultural and scientific exchanges where we might mention some specific projects. Please raise this.

- -- On Taiwan, you should take any counter draft ad referendum. They do not want to use Paris channel for this so do not suggest it.
- -- With respect to South Asia you can tell them we will communicate further thoughts through Paris channel. At present the primary objective is to gain time and to arm Pakistan. We have used our influence with Turkey and France in this regard; we welcome any PRC efforts. We are starting economic assistance programs again and on larger scale.
- -- With respect to Southeast Asia you should stress that in our view Moscow is blocking negotiated settlement. We have made sweeping proposal; Hanoi cancelled meeting set for November 20. You can reaffirm everything

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I said on my visits, particularly our readiness to accept non-aligned Southeast

Asia. The only reason in our view the war continues is for Soviet, not U.S.,

aims. No patriotic Vietnamese need fear our eventual domination.

- -- I am puzzled by reference to Japanese Social Democrat. Given

 Japanese propensity to leak, you can be sure I said nothing. Memoon is being sent to you separately. Chou may have obliquely asked for reaffirmation of my commitments to him.
- -- Withdrawal of Southeast Asian related part of forces within a reasonable period after end of Indochina war.
 - -- Gradual withdrawal of remainder as tensions ease.
- -- No support for Japanese return to Formosa or introduction of Japanese troops there.
 - -- No further reference to status of Formosa being undetermined.
 - -- No encouragement of Taiwan independence movement.

Do not worry that Chou will not see you alone. You should pull no punches for this reason. You can be frank with Foreign Minister who is Chou's disciple if not very bright.